

Message Text

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53

ACTION EUR-25

INFO OCT-01 ISO-00 SS-20 L-03 H-03 NSC-10 PA-04 PRS-01

USIA-15 CIAE-00 INR-10 NSAE-00 RSC-01 EB-11 COME-00

INT-08 SCEM-02 SCI-06 TRSE-00 DRC-01 /121 W

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R 082306Z NOV 73

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 2067

INFO AMCONSUL VANCOUVER

AMCONSUL MONTREAL

AMCONSUL TORONTO

AMCONSUL WINNIPEG

AMCONSUL ST JOHNS

AMCONSUL CALGARY

AMCONSUL HALIFAX

AMCONSUL QUEBEC

UNCLAS OTTAWA 2667

E.O. 11652: N/A

TAGS: ENRG, CA, US

SUBJECT: MACKENZIE VALLEY PIPELINE

1. MONTREAL GAZETTE (NOVEMBER 8) REPORTS THAT MACKENZIE VALLEY NATURAL GAS PIPELINE CONSORTIUM HAS APPEALED TO ENERGY MINISTER MACDONALD FOR DECLARATION THAT NO TAX IMPEDIMENTS WILL BE SLAPPED ON ALASKAN GAS TRANSITING CANADA. ARTICLE NOTES THAT WITHOUT SUCH ASSURANCE "THERE IS EVERY POSSIBILITY THAT THE \$5.5 BILLION PROJECT WILL BE SCUTTLED IN FAVOR OF A COMPLETELY UNITED STATES-CONTROLLED SYSTEM OF TRANSPORTING LIQUIFIED GAS FROM ALASKA BY TANKER."

2. WILLIAM WILDER, CHAIRMAN OF CANADIAN ARCTIC GAS STUDY LTD., IS QUOTED AS SAYING RECENT "SHORT-TERM AD HOC DECISION-MAKING" BY GOC IN ENERGY POLICY HAS RAISED U.S. FEARS OVER SECURITY OF SUPPLIES FROM CANADA AND
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THAT U.S. SENTIMENT HAS NOW SWUNG TO EL PASO PROPOSAL

TO SHIP GAS BY TANKER. HE STATES THAT WHILE ODDS IN JUNE WERE 10 TO ONE IN FAVOR OF MACKENZIE PIPELINE, NOW THEY ARE ABOUT 50-50 "AND WITHOUT ALASKA GAS THE MACKENZIE PROJECT IS JUST NOT ECONOMICALLY VIABLE."

3. WILDER FURTHER STATED THAT WHAT IS NEEDED IS AN UNDERSTANDING BY OTTAWA THAT ALASKA GAS "IN EFFECT WILL GO ACROSS CANADA IN BOND." HE SAID IT IS NOT IN CANADA'S BEST INTERESTS TO KEEP IRRI-TATING THE U.S. OVER ENERGY POLICY. "I'VE BEEN UP IN OTTAWA TELLING THEM THIS, BUT HAVEN'T BEEN GETTINGANYWHERE." WILDER ALSO REPORTEDLY SAID THAT MINORITY LIBERAL GOVERNMENT HAS BEEN FORCED INTO ANTI-AMERICAN POLICIES TO KEEP SUPPORT OF NEW DEMOCRATIC PARTY.
SCHMIDT

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Message Attributes

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TAGS: ENRG, CA, US
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